

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT  
FINANCE

ASSESSMENT DIVISION



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TO: ALL PUBLIC UTILITY COMPANIES

FROM: INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE (DLGF)

SUBJECT: FILING INSTRUCTIONS FOR FORM 1 & FORM 1-N

DATE: February 1, 2003

All companies engaged in any public utility business in Indiana must file a Form 1, Tax Return-Fixed Personal Property of Public Utilities, with the local assessing official for each taxing unit where fixed personal property is located. If the public utility company owns, holds, possesses, or controls any leased or other not-owned locally assessed personal property, a Form 1-N must be filed with the local assessing official of each taxing unit where the leased personal property is located. Public utilities must also include copies of all completed Form 1's and Form 1-N's with its Annual Report (Form UD-45) filed with the Department of Local Government Finance.

The State Board has granted an automatic extension of the due date for the Form 1 and the Form 1-N to all public utility companies until **April 1, 2003**. Further extensions must be obtained in writing from the township assessor. Failure to file the Form 1 or the Form 1-N by the required due date will result in late filing penalties. Failure to receive blank forms does not relieve any property from assessment, or any company from the duty of filing a return. Forms can be obtained from the Department of Local Government Finance or from our website.

Our website address is: [www.in.gov/dlgf/](http://www.in.gov/dlgf/)

Property to be reported on the Form 1 include: Microwave towers, motor vehicles, office equipment, office furniture & fixtures, inventories, and any other machinery & equipment not directly used to provide the utility service if owned by a utility company. Motor vehicles do not include passenger buses.

If you have property in **Hancock County**, please be sure to also send a copy of your Form 1 or 1N's to the Hancock County Assessor.

## **Instructions for Completing the Form 1**

### **Summary of Assessment**

The true tax value of the property shown in Schedule A shall be carried to the summary section on the front page of the return and entered under the "Assessed Value by Taxpayer" column. The true tax value of inventory and supplies is computed in Schedule B and is also carried forward to the summary section. **The assessed value will be 100% of Total True Tax Value rounded to the nearest \$10.**

### **Schedule A**

Machinery and equipment is defined as that equipment that is not part of and unrelated to the production plant, distribution, or transmission system. Motor vehicles owned by a public utility company and assessed to the public utility company as personal property are not subject to motor vehicle excise tax [IC 6-6-5-5(h)(3)], and shall be reported on the Form 1. All depreciable tangible personal property reported in this schedule shall be valued at IRS Cost Basis less accumulated depreciation, as shown on the company records. The depreciable tangible personal property is subject to a 30% minimum true tax value by location. The true tax value of construction in progress is ten percent (10%) of cost.

### **Schedule A-1**

A deduction is allowed for property placed into service in the immediate preceding twelve month assessment period. The deduction is 60% of the depreciated value of the property and is calculated in this section.

### **Schedule B**

Inventories of merchandise and materials and supplies shall be reported pursuant to 50 IAC 4.2-5. **The true tax value of inventories shall be 65% of the cost** of such inventories computed in accordance with 50 IAC 4.2-5. ***Line 8 of this section should equal 65% of the cost of inventories.*** However, Grant and Pulaski counties have exempted inventories from taxation as a result of HEA1001(ss).

### **Instructions for completing Form 1-N**

The Form 1-N is for the reporting of leased or not-owned locally assessed personal property. Schedule I is for leased property that is to be assessed to the owner. Schedule II is for leased property to be assessed to the public utility company that is holding, possessing or controlling the property. The total of Schedule II of the Form 1-N should be in agreement with Schedule A, Line 4, Column A of the Form 1.

You may obtain permission from the DLGF to use a computer generated Form 1 or Form 1-N (see, 50 IAC 5.1-3-2(f)).